


CONFIDENTIAL

MEMORANDUM

TO: David Brooks
FROM: Fran Schall 
DATE: October 10, 1995
SUBJECT: Member Responses to MasterCard's "Bad Behavior"

Yesterday, Carl asked that I make a list of things that a Member could do to express dissatisfaction with recent decisions of MasterCard (e.g., BJs, excessive incentive funding for co-branding, commercial and debit cards, etc.) Many of these actions are obvious, but I've attached a list of my thoughts on the attached page.



Fran Schall

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**Potential Member Responses to Recent
MasterCard Behavior**

- Shift new card solicitation heavily to Visa (all Visa solo mailings except, perhaps, a MasterCard check-off box.
- Sign all new co-branded programs as Visa-only.
- Convert dual co-branded card programs particularly airline programs to Visa-only (Citibank-American, First Chicago-United, America West - Bank of America, Alaska - SeaFirst, TW - EAB, British Air (US) - Chase
- Convert MasterCard commercial card accounts to Visa.
- Refuse to participate in any MasterCard Chip Card/Smart Cash pilots.
- Agree to provide additional funding to Visa to fund a war chest to fight competition (e.g., Amex) — Visa better able to do this than MasterCard
- Move POS business away from MAPP to MBS/Vital
- For new on-line merchants, sign them as Interlink-only (no acceptance of Maestro).
- Support Visa's STT technology, not MasterCard's solution.